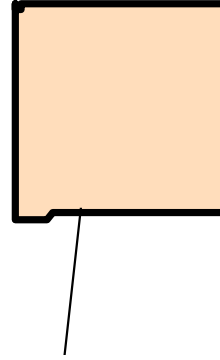
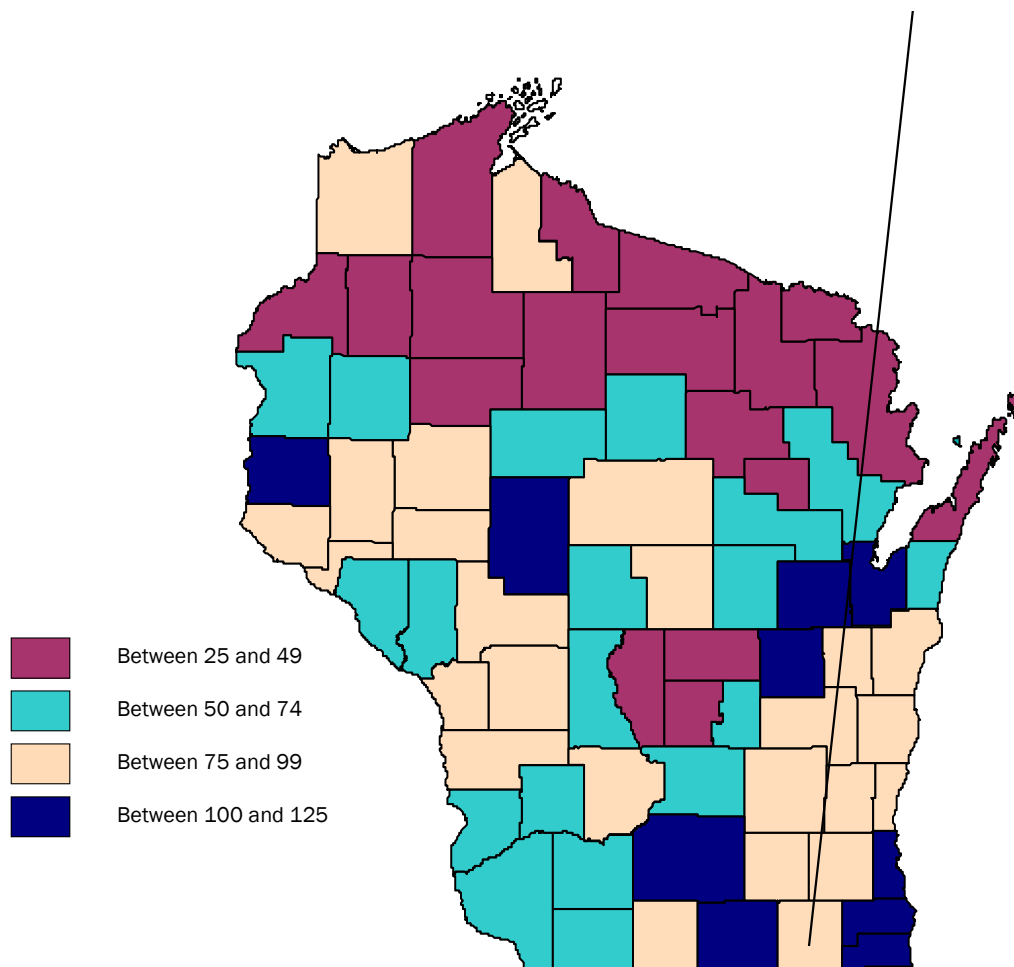


Walworth County Workforce Profile



The number of residents aged 25-29 years for every
100 residents aged 60-64 years in year 2025



Source: Wisconsin Department of Administration, Demographic Services Center and the U.S. Bureau of Census.

For comparison, it is projected that there will be 90 residents aged 25-29 for every 100 residents aged 60-64 in Wisconsin in 2025. Nationally, it is projected that there will be 101 residents aged 25-29 for every 100 residents aged 60-64. In 2003, Wisconsin had 146 residents aged 25-29 for every 100 aged 60-64.



County Population

Walworth County will break the 100,000 population mark in the year 2007 given the current pace of population growth continues. As of 2004, Walworth is the ninth fastest growing county in Wisconsin adding over 5,000 new residents since 2000 for a growth rate of 5.5 percent. Walworth's growth easily exceeds that of the state and national rates over the same period, just as it has for quite some time.

Total Population

	April 2000 Census	Jan. 1, 2004 estimate	Numeric change	Percent change
United States	281,421,906	292,287,454	10,865,548	3.9%
Wisconsin	5,363,715	5,532,955	169,240	3.2%
Walworth County	92,013	97,052	5,039	5.5%
Largest Municipalities				
Whitewater, City*	10,826	11,188	362	3.3%
Elkhorn, City	7,305	8,191	886	12.1%
Delavan, City	7,956	8,158	202	2.5%
Lake Geneva, City	7,148	7,276	128	1.8%
Bloomfield, Town	5,537	6,039	502	9.1%
Geneva, Town	4,642	4,858	216	4.7%
Delavan, Town	4,559	4,767	208	4.6%
East Troy, Town	3,830	3,888	58	1.5%
East Troy, Village	3,564	3,850	286	8.0%
Lyons, Town	3,440	3,704	264	7.7%

*Walworth County portion or

Source: Wis. Dept. of Administration, Demographic Services and U. S. Census Bureau

Local communities experiencing the largest and fastest growth are clustered in the central, east and southeast portions of the county, with Elkhorn showing the most dramatic change (+12.1%). The majority of new residents in Walworth has been the result of in-migration with the remaining small portion of growth coming via natural change. The majority of in-migrants into Walworth have come from Waukesha, Milwaukee and Racine counties in Wisconsin and from Cook and McHenry counties in Illinois.

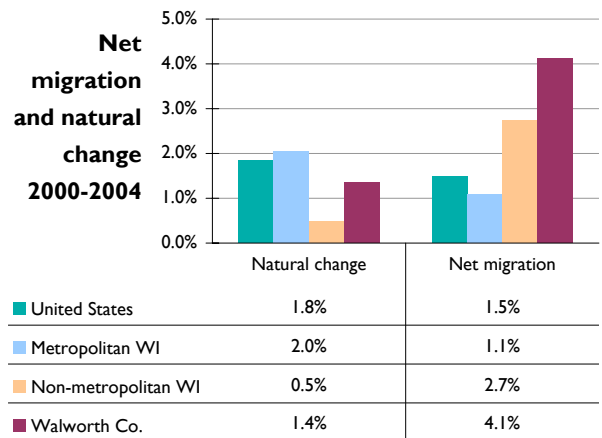
In terms of labor market analysis, it is wise to examine the age dynamics of the population. Age dynamics will be one of the more important factors affecting workforce and the consumption of goods and services, or in other words, the economy.

The graph to the immediate right plots Walworth's projected population by age group in 2005 and 2030. Growth by 2030 is forecasted among most age groups with the exceptions of those who will be ages 35 to 54 years, most of whom are currently referred to as 'Generation X'. Population growth will be exceptionally fast

in those ages 60 to 84 years of age.

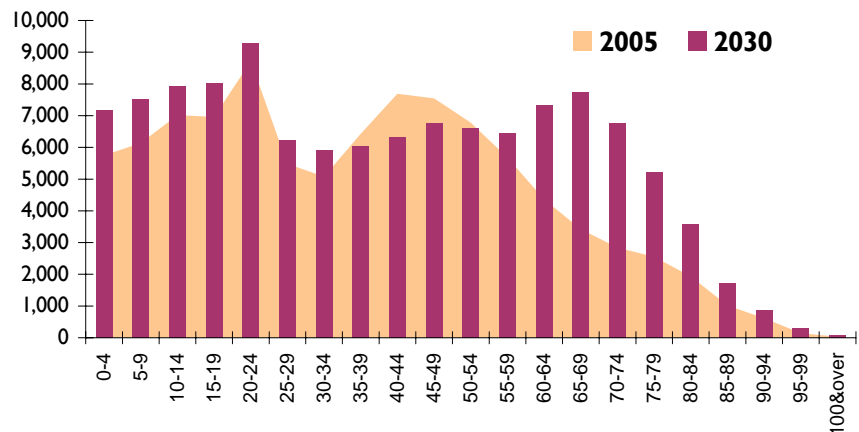
Total population growth in Walworth over the next 25 years is forecasted to be 23 percent (21,700 more residents), which is actually slower than its 10-year growth rate of 25 percent from 1990 to 2000. Projected slower population growth is not unique to Walworth, nor Wisconsin, nor the United States. But Walworth's forecast is faster than the statewide projection and is on the same pace as the national forecast.

A detailed analysis of these age group projections shows that those aged 19 and younger are forecasted to grow 18 percent. The number of residents in their prime working years, aged 20 to 59 years, will grow only 0.4 percent. And the number of those 60 years and older will essentially double as they increase 99 percent over the next 25 years. In terms of population composition, those 19 and younger will show little change, but will decline from 27 percent to 26 percent of total population. The age group 20 to 59 years will decline from 56 percent to 45 percent of the population



Source: WI Dept. of Admin., Demographic Services and U. S. Census Bureau

Population by Age Groups in Walworth County



Source: WI Dept. of Administration, Demographic Services

Future Population and Labor Supply

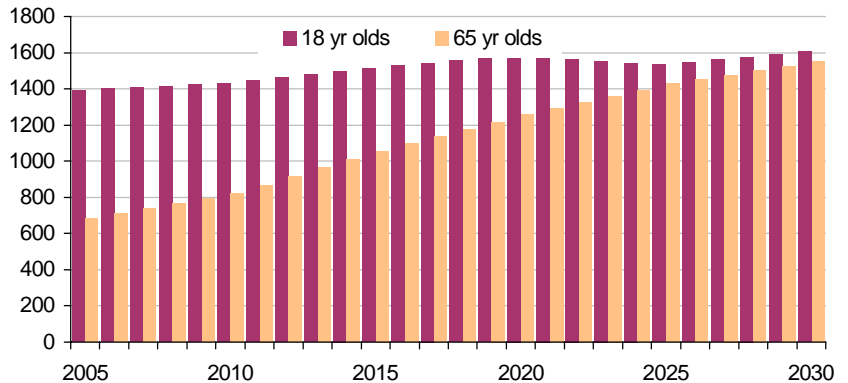
and those 60 years and older will increase dramatically from 18 percent to 29 percent of the total population.

To demonstrate the effects of these age dynamics, the graph to the right compares the number of those 18 and 65 years of age until year 2030 in Walworth County. One will notice that the number of 18 year-olds will remain fairly constant while those age 65 will increase sharply. Although this is only two chronological years of age, it is a sample of the future age patterns indicating that the number of those exiting the workforce will likely outnumber those entering.

A rapidly aging population could lead to shortages of replacement workers in key occupations, particularly in occupations that are typically filled by younger workers or those with a specific skill set or training requirement. Another result of these demographic changes is that the demand for good and services will change. Industries such as health care, transportation and leisure and hospitality will see an increase in demand, and in turn, will need more workers.

Walworth's population, overall, is just slightly younger than the state as whole with a weighted average age of 36.2 years in 2000 (the state's was 36.4). This fact surprises some people because of the county's retiree hotspot, the Lake Geneva area. Walworth has two younger population components: 1) the presence of UW-Whitewater, and 2) the large in-migration of Hispanic population, which tended to be younger than average. Walworth's overall age should remain under the state average, but it will increase, nonetheless.

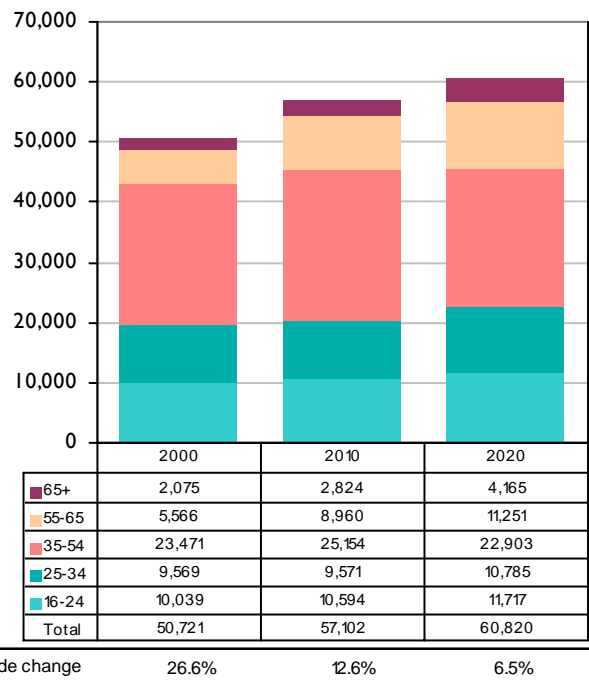
Convergence of 18 & 65 year old population in Walworth County



Source: WI Dept. of Administration, Demographic Services

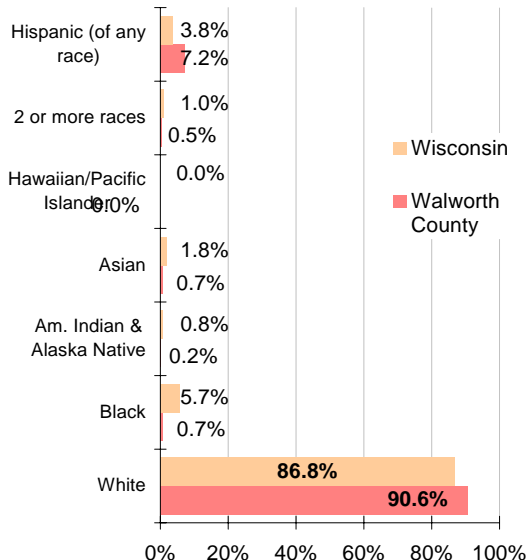
Employers will continue to compete for workers, but skilled and educated workers could be in even shorter supply relative to increased demand. The labor force will be older on average though it is uncertain whether workers will remain in the labor force longer than they are currently. Trends suggest that workers are retiring at younger ages. Retirement is a subjective term as many retirees return to the workforce, though usually in a reduced capacity. Retirees make up a very small portion of the workforce. For example it is estimated that only 34 percent of those aged 65-69 in Walworth County are in the labor force. At ages 70 and older, this percentage drops below 20 percent, as one might expect.

Walworth County Labor Force Projections by Age



Source: DWD, Office of Economic Advisors, August 2004

Race and ethnic distribution

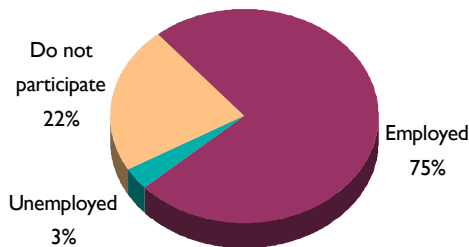


Source: U.S. Census Population Characteristics Estimates, 2002

Current Labor Force

Walworth County's unemployment rate has increased considerably since 2000, but 2003 showed a decrease in unemployed residents and an increase in its working population. The preceding few years' unemployment rose as steadily, though not as high, as statewide and national figures. This spoke to not only Walworth's softening job market, but to adjacent counties' markets to which many Walworth residents commute.

Labor force participation in Walworth County



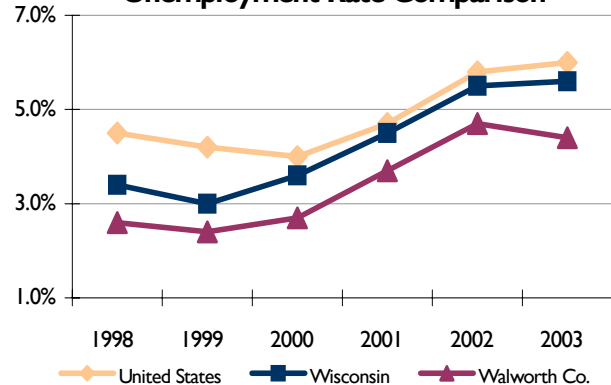
Source: DWD, Office of Economic Advisors, July 2004

Walworth County's labor force participation rate (LFPR) in 2003 was 77.8 percent, which ranked 13th highest of the state's 72 counties. Its LFPR was higher than both the state and national rates of 72.9 and 66.2 percent, respectively. Walworth's high participation rate is due to the fact that a good portion of the county's population are in age groups that

usually show the highest LFPR. Walworth's LFPR is one of the highest of the non-metropolitan counties in Wisconsin.

It is likely that Walworth's LFPR has peaked and will gradually decline over the next two decades as resident baby-boomers retire in ever larger numbers and retirees from other areas move into Walworth County.

Unemployment Rate Comparison



Walworth County Civilian Labor Force Data

	1998	1999	2000	2001	2002	2003
Labor Force	52,148	51,954	52,615	54,469	55,235	56,508
Employed	50,788	50,712	51,183	52,473	52,639	54,044
Unemployed	1,360	1,242	1,432	1,996	2,596	2,464
Unemployment Rate	2.6%	2.4%	2.7%	3.7%	4.7%	4.4%

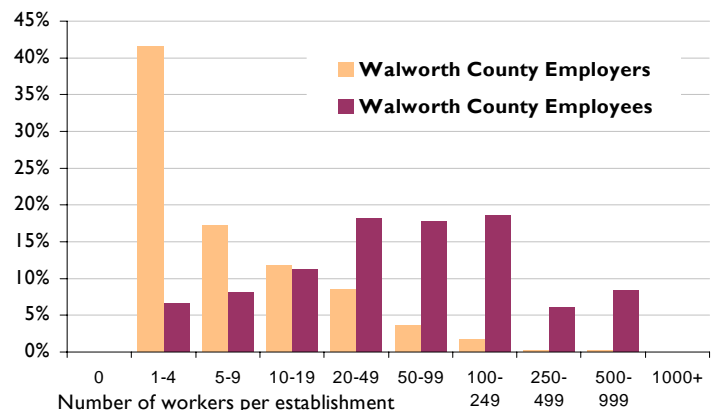
Source: WI DWD, Bur. of Workforce Information, Local Area Unemployment Statistics, 2003

Employers by Size

The majority of Walworth County's employers are smaller as approximately 71 percent have between one and 19 employees. While this may seem to be an inordinately high share of smaller employers, it is actually a typical share for a county this size. The term "small employer" is subjective. Some define it as an employer with less than 500 employees and some define it as low as 20 employees or fewer.

From an employee perspective, the highest share of Walworth's employees work in establishments that employ 100-249 workers. In fact, more than one-half of all Walworth County employment is in establishments with 50 or more total employment. This graph suppressed information for employers with 1,000 or more employment. The next page indicates that the county has two employers with 1,000 or more workers. These establishments employ approximately five percent of the county's workers.

Share of employers & employees in size range in 2003



Source: DWD, Bureau of Workforce Information, Table 221, July 2004

Industry & employers by size

Examination of a county's labor market from the demand (employer) point of view is essential to gauge the type of workforce employers are seeking. The tables below outline the county's top employing industries and the top employers by name and establishment size. The pie-graphs to the bottom indicate the prominence of these top industries and employers in terms of the county's total employment.

It is common for services-providing sectors to show the large-

est and fastest employment growth in both one- and five-year periods. Some goods-producing sectors, like manufacturing industries, may still show a large employment presence, but they may likely show a loss of employment over these time-frames, too. It is also common for many counties traditionally heavy in goods-producing employment to now have services-providers, particularly those in health and education services, as their larger employers and industry sectors.

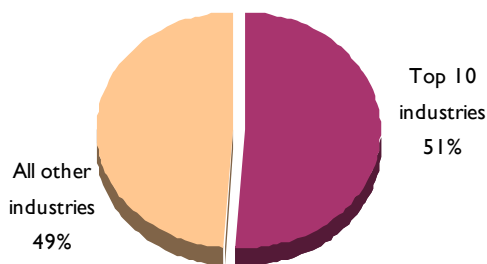
Top 10 Industries in Walworth County

Industry	March 2004		Numeric Employment Change	
	Establishments	Employees	2003-2004	1999-2004
Educational services	34	3,854	3	428
Food services & drinking places	195	3,531	-241	38
Accommodation	26	2,195	-24	337
Executive, legislative, & gen government	29	1,806	-43	13
Machinery manufacturing	21	1,703	-14	103
Plastics & rubber products manufacturing	21	1,624	58	123
Administrative & support services	92	1,382	114	329
Fabricated metal product manufacturing	41	1,255	-78	-267
Nursing & residential care facilities	34	1,240	97	271
Food & beverage stores	35	1,047	-43	-47

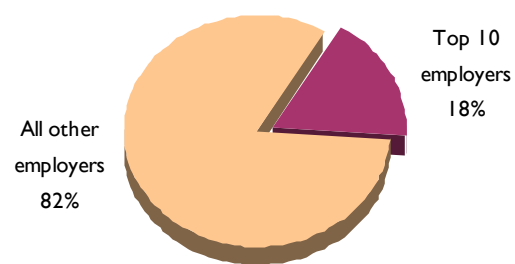
Top 10 Employers in Walworth County

Establishment	Product or Service	Size (Dec. 2003)
University of Wisconsin- Whitewater	Colleges and universities	Over 999 employees
County of Walworth	Executive and legislative offices, combined	Over 999 employees
Sta-Rite Industries LLC	Pump and pumping equipment manufacturing	500-999 employees
Grand Geneva LLC	Hotels and motels, except casino hotels	500-999 employees
Wal-Mart Associates Inc.	Discount department stores	500-999 employees
Aurora Health Care of Southern Lake	General medical and surgical hospitals	500-999 employees
Miniature Precision Components Inc.	All other plastics product manufacturing	500-999 employees
Trostel Ltd	Gasket, packing, and sealing device mfg.	250-499 employees
Elkhorn Area School District	Elementary and secondary schools	250-499 employees
School District of Delavan-Darien	Elementary and secondary schools	250-499 employees

Share of jobs in top 10 industries in Walworth County



Share of Walworth County jobs with top 10 employers

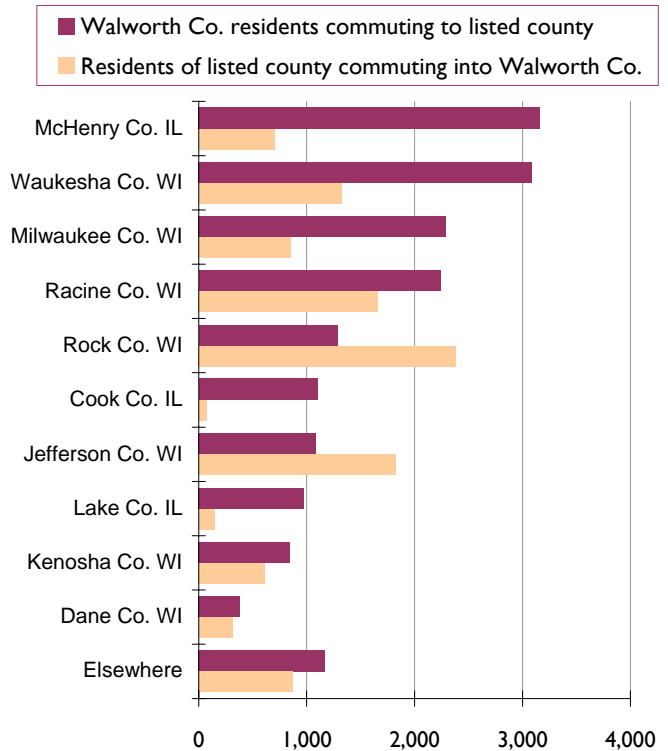


Source: DWD, Bureau of Workforce Information, Quarterly Census of Employment and Wages

Commuting

Walworth's commuting patterns from the 2000 census indicate that close to 17,000 of its employed residents leave the county for work. This equals about 37 percent of its total employed labor force. The state average rate of out-commute is 25 percent. In net terms of in- and out-commuters, Walworth has more commuters leaving the county than commuters coming in from other counties. One reason for the higher than average out-commute is that the majority of Walworth's adjacent counties are metropolitan, affording more diversity in job opportunities with higher relative wages, and importantly, these metro areas have a need for workers. Another reason is that many Walworth residents are former Illinois or Milwaukee residents, who moved to Walworth County, but have kept their employment in Illinois and Milwaukee.

The two leading destinations of Walworth's out-commuters are McHenry County, IL and Waukesha County, WI. Milwaukee County and Racine County also have a large share of Walworth's workers. The commuting to McHenry County has likely subsided due to the closing of the Motorola plant in Harvard, IL. There are no intercensal commuting data at this time to reflect these suspected changes. Walworth County is a workplace for many workers from adjacent counties. Rock, Jefferson and Racine counties have the most commuters coming into Walworth. Close to 11,000 total workers living outside of Walworth, work in Walworth.



Source: U.S. Census 2000, Special tabulations: Worker Flow Files

Key occupations & wages

The table to the right lists the occupations with the most employment in Dodge, Jefferson and Walworth Counties as of May 2003. Their hourly wages are also displayed.

The hourly wages shown include the mean (average) and the median (50th percentile), which are the most frequently requested occupational data. The 25th and 75th percentile wages are also included to help give an indication of entry-level and experienced worker wages, respectively. The 25th percentile indicates that 75 percent of the total workers in this occupation earn more per hour than this wage. The 75th percentile wage indicates that 25 percent of workers make more than this hourly wage.

If the mean and median wages are relatively close, the labor market for this worker is probably tight or very competitive for hiring employers. If the median is significantly below the mean, an employer offering mean wages should have an advantage in attracting workers. On the same hand, prospective workers will likely find a higher than average level of competition for these jobs.

Occupation title	Hourly Wages			
	Mean	Percentile 25 th	Percentile 50 th	Percentile 75 th
Waiters & waitresses	\$7.19	\$5.87	\$6.43	\$8.03
Retail salespersons	\$9.42	\$6.80	\$8.01	\$9.96
Team assemblers	\$12.53	\$10.09	\$12.83	\$15.28
Cashiers	\$7.60	\$6.41	\$7.38	\$8.42
Bartenders	\$9.02	\$8.08	\$9.44	\$10.32
Nursing aides, orderlies, & attendants	\$10.63	\$9.25	\$10.43	\$12.21
Laborers & freight, stock, & material movers, hand	\$10.65	\$8.42	\$10.36	\$12.68
Packers & packagers, hand	\$10.26	\$8.38	\$10.33	\$12.19
Sec. school teachers, except special & voc. ed.	-	-	-	-
Truck drivers, heavy & tractor-trailer	\$15.69	\$12.35	\$14.96	\$19.05
Janitors & cleaners, except maids & hskpg. cleaners	\$10.24	\$8.43	\$9.99	\$12.07
Registered nurses	\$22.91	\$19.49	\$22.50	\$26.15
Bookkeeping, accounting, & auditing clerks	\$12.57	\$9.76	\$12.01	\$14.51
Secretaries, except legal, medical, & executive	\$10.79	\$8.11	\$11.26	\$13.22
Correctional officers & jailers	\$15.95	\$14.19	\$15.86	\$17.95
Comb. food prep. & serving workers (fast food)	\$7.05	\$6.16	\$6.87	\$7.93
Plumbers, pipefitters, & steamfitters	\$16.61	\$10.59	\$18.85	\$21.50
Office clerks, general	\$10.36	\$8.13	\$10.14	\$12.30
Customer service representatives	\$13.52	\$8.75	\$12.17	\$16.96
Maintenance & repair workers, general	\$15.13	\$11.52	\$15.50	\$18.42

Walworth County is part of an area which includes Dodge, Jefferson and Walworth counties.

Source: DWD, Office of Economic Advisors, special tabulation using EDS and OES 2003

Employment and Wages

The annual average wages paid in Walworth County are below the state average for every industry sector with the exception of leisure and hospitality, in which the pay is 3.3 percent higher. Walworth's average wage for all industries ranks 27th highest of the state's 72 counties. Walworth's lowest paying industry sector relative to the state annual average is financial activities.

The graph at the bottom shows how relatively large or small a sector's employment is compared to Walworth's total as well as each sector's proportion of total wages paid. The graph indicates that Walworth's employment is fairly well distributed among a handful of sector's without a single 'dominant' industry sector. Manufacturing and leisure and hospitality are the two largest employing sectors providing 22 percent and 19 percent of all jobs, respectively. But wage disparities are obvious between these two sectors. Manufacturing pays disproportionately higher wages than it employs, 30 percent of the total wages in Walworth, while leisure and hospitality pays proportionately less than it employs, eight percent of total wages.

The annual wages that an industry pays can depend upon many factors such as its geographic location, seasonal activity,

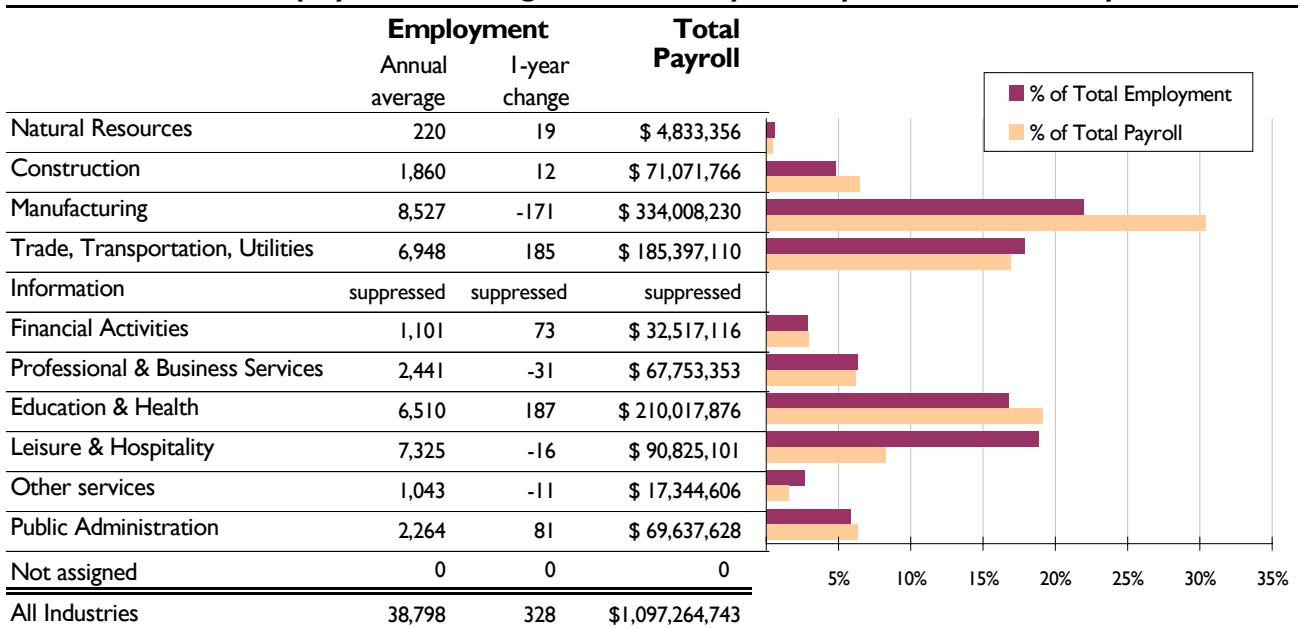
Average Annual Wage by Industry Division in 2003

	Average Annual Wage		Percent of	1-year
	Wisconsin	Walworth County	Wisconsin	% change
All Industries	\$ 33,423	\$ 28,281	84.6%	2.0%
Natural resources	\$ 25,723	\$ 21,970	85.4%	-6.5%
Construction	\$ 40,228	\$ 38,211	95.0%	5.2%
Manufacturing	\$ 42,013	\$ 39,171	93.2%	3.3%
Trade, Transportation, Utilities	\$ 28,896	\$ 26,684	92.3%	2.0%
Information	\$ 39,175	suppressed	Not avail	Not avail.
Financial activities	\$ 42,946	\$ 29,534	68.8%	1.6%
Professional & Business Services	\$ 38,076	\$ 27,756	72.9%	-3.1%
Education & Health	\$ 35,045	\$ 32,261	92.1%	1.8%
Leisure & Hospitality	\$ 12,002	\$ 12,399	103.3%	1.7%
Other services	\$ 19,710	\$ 16,630	84.4%	2.7%
Public Administration	\$ 35,689	\$ 30,759	86.2%	0.2%

Source: WI DWD, Bureau of Workforce Information, Quarterly Census of Employment & Wages

presence of worker collective bargaining agreements, etc. But the most crucial salary component is an industry's occupational composition. Some industries employ higher than average shares of skilled/educated workers commanding higher salaries. Some employ a higher share of entry-level, part-time or seasonal workers. Examination of Walworth residents' occupational composition (not shown) shows a slightly lower than average presence of those in occupational groups that are in the highest tier of pay, which is a common attribute of non-metropolitan counties.

2003 Employment and Wage Distribution by Industry in Walworth County



Source: WI DWD, Bureau of Workforce Information, Quarterly Census Employment and Wages, June 2004

Per Capita Personal Income

Income is the resultant combination of all manners in which people or families or households obtain monies. The majority of a county's total personal income comes from wages earned at jobs. Walworth County, as a whole, obtains a slightly higher than average share of its total personal income from dividends, interest and rental income (graph, bottom right). It obtains a lower than average share of its total personal income from governmental transfer payments.

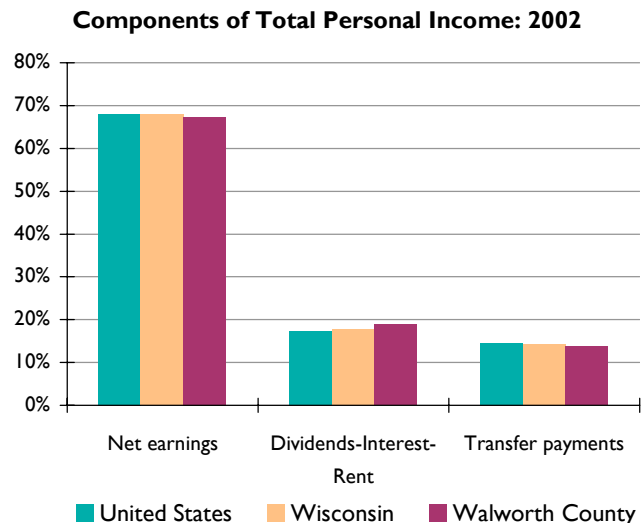
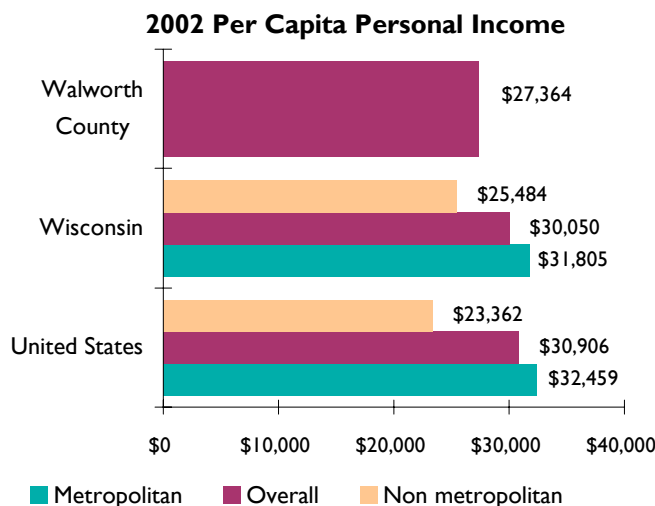
Per capita personal income (PCPI) is the most utilized statistic in referencing a local area's comparative economic health. One should keep in mind that this per capita measurement implies that the population denominator of the equation is just as meaningful to PCPI as the dollars being divided by it. If a county's total population grows more rapidly than its number of earners

then PCPI may show little or no growth. This is especially true when counties have large increases of young children, who do not usually contribute to a county's personal income, but are nevertheless part of the total population. The same may be said for retirees, who are no longer wage earners, though they do receive income from other sources.

Interestingly, Walworth's total personal income (not shown) has grown faster than state average from 1997 to 2002, but on a per capita basis it was grown more slowly. This is due to the demographic issues listed previously. The PCPI change was negative from 2001 to 2002 after inflation adjustment. This annual decrease was likely rooted in a softer job market in higher paying industries and occupations in Walworth and the rest of southeast Wisconsin.

	Per Capita Personal Income						Percent Change	
	1997	1998	1999	2000	2001	2002	1 year	5 year
United States	\$25,334	\$26,883	\$27,939	\$29,847	\$30,527	\$30,906	1.2%	22.0%
Wisconsin	\$24,514	\$26,175	\$27,135	\$28,573	\$29,361	\$30,050	2.3%	22.6%
Non-metropolitan WI	\$20,734	\$22,195	\$22,900	\$24,059	\$24,833	\$25,484	2.6%	22.9%
Walworth County	\$22,805	\$24,319	\$25,058	\$27,295	\$27,234	\$27,364	0.5%	20.0%
In current dollars (adjusted to U.S. CPI-U)								
United States	\$28,397	\$29,670	\$30,170	\$31,181	\$31,010	\$30,906	-0.3%	8.8%
Wisconsin	\$27,478	\$28,889	\$29,301	\$29,850	\$29,825	\$30,050	0.8%	9.4%
Non-metropolitan WI	\$23,240	\$24,497	\$24,728	\$25,135	\$25,226	\$25,484	1.0%	9.7%
Walworth County	\$25,562	\$26,841	\$27,058	\$28,516	\$27,665	\$27,364	-1.1%	7.0%

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis, May 2004



Source: U.S. Department of Commerce, Bureau of Economic Analysis, Regional Economic Information System, May 2004

The county workforce profiles are produced annually by the Office of Economic Advisors in the Wisconsin Department of Workforce Development. The author of this profile and regional contact for additional labor market information is:

Eric Grosso
P.O. Box 7944
Madison, WI 53707
Phone: 608-266-7034
email: Eric.Grosso@dwd.state.wi.us

Metropolitan Statistical Area (MSA) - A single county or group of counties that include at least one urbanized area with a minimum population of 50,000. Multiple-county MSAs have a central county or counties, which have a high degree of social and economic integration with the other member counties as measured by commuting data.

Non-metropolitan county - Any county that is not a member of a metropolitan statistical area.

Net Migration - One of two components of population change. It is the net result of individuals who either moved into or out of an area.

Natural Change - One of two components of population change. It is the result of the number of births minus the number of deaths in an area over a period of time. A natural increase indicates there were more births than deaths. A natural decrease indicates there were more deaths than births.

Employed - Persons 16 years of age or older, who worked as paid employees, or worked in their own business, profession or farm, or worked 15 hours or more as unpaid workers in a family-operated enterprise. Includes those temporarily absent from their jobs due to illness, bad weather, vacation, childcare problems, labor dispute, maternity or paternity leave, or other family or personal obligations.

Unemployed - Persons 16 years of age or older with no employment, who were available for work and made efforts to find employment sometime during the previous 4-week period ending with the monthly reference week. Persons who were awaiting recall to a job did not need to look for work to be classified as unemployed.

Labor Force - The sum of the employed and unemployed, whom are at least 16 years of age and older.

Unemployment Rate - The number of unemployed divided by the labor force. It is expressed as a percentage of the labor force.

Labor Force Participation Rate (LFPR) - The labor force divided by the total population aged 16 years and older. It is expressed as a percentage of the population aged 16 years and older.

Suppressed - Data is withheld or suppressed if it does not meet certain criteria. If an industry in a county has fewer than three employers or if a single employer employs 80% or more that industry's total employment in that county then the data are suppressed. These criteria were established to maintain the confidential reporting of payroll and employment by employers.

Total Personal Income - The aggregate income of an area received by all persons from all sources. It is calculated as the sum of wage and salary disbursements (less contributions for government social insurance), supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts that include retirement and veteran's benefits, government paid medical reimbursements, and income maintenance program payments.

Per Capita Personal Income (PCPI) - Total personal income divided by the total population.

Current Dollars - Phrase used to express historical dollar values in terms of their current purchasing power via inflation adjustment.

CPI-U - Consumer Price Index for all urban consumers, the most commonly used measure of inflation in the United States.